




"Eric Holmen"
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To <innovationmetrics@doc.gov>
cc
bcc
Subject SmartReply Comment, Eric Holmen

History:  This message has been replied to.

To Whom It May Concern at the Department of Commerce:

I read the notice seeking public comment on measurement of innovation in the US economy. I'm the President of SmartReply, Inc., a company dedicated to innovation under our umbrella vision of "bringing friends, brands, and markets together, better." The "better" part demands innovative and progressive actions, daily, across the company. So – I'm very pleased to see the Department of Commerce's attempt at measuring innovation in the economy, and hopeful that one of the effects will be a benchmark by which we can compare ourselves to peers and marketplaces.

There seem to be four broad stages of innovation activity – invention, development, sales, and execution. Each stage seems important to measure because they are progressive in nature, and they act like a pipeline that will fuel the economy over time.

Invention is the stage when a solution to a problem begins to take shape. Generally, these activities result in patent searches, but also include a fair amount of time within organizations. Often, this can also be a time when entrepreneurs leave their company to start their own businesses to develop the solution on their own. Within companies, however, it is often "beneath the radar" and employees of like minds work together in their spare time to move it to a point that they are comfortable taking to their superiors for approval or funding. Or, this activity may be happening within universities. Measurements here may look at quantifying: Number of patent applications applied against a constant variable of average cost for an organization to begin R&D and average Return weighted down by the average success rates of patents to actually pay-out. An economist in the Commerce Department can certainly articulate a better formula than that. This stage, however, is by far the most difficult to quantify.

Development is the stage where solutions gain internal funding with capital and human resources. The results of this stage include field research, hiring of new competencies and possibly staffing services, and allocated budgets and timelines. Quantifiable metrics could include asking a sampling of industry "what percent of your organization/development team/etc is working on solutions that are not currently being sold in the marketplace?" And then the painful questions of "when do you expect these solutions to begin being sold in the marketplace?"

In truth, all good ideas are in the "sales" stage since a moment after their inception. Another similar survey: "What percent of your revenue is coming from products and services that you did not sell last year/2 years ago/5 years ago...?"

Execution is the final measurement of payout, and this survey would ask similar questions as above. "What percent of your operations is focused on delivering products/services that you did not deliver last year/2 years ago/5 years ago..."

This may be over simplified and I am awaiting anxiously the final analysis that the DOC bring to the marketplace. Please call with any questions at 949-340-0739.

Best Regards,
-Eric Holmen

Eric Holmen

President

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